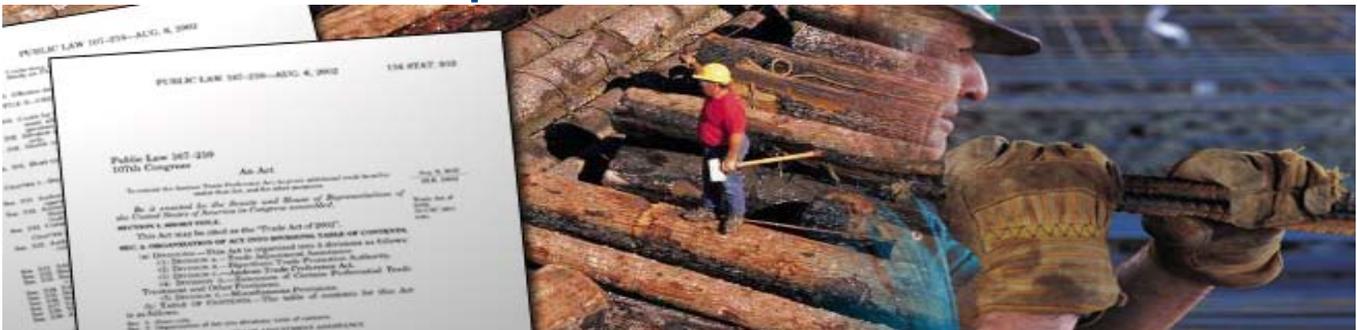


## Alternative Trade Adjustment Assistance (ATAA) Eligibility Requirements for the HCTC



This newsletter explains the HCTC eligibility requirements for ATAA recipients. These requirements differ from ones that apply to TAA recipients. For those state partners who are not familiar with the ATAA program, below is a brief description.

### Background

The Trade Adjustment Assistance Reform Act of 2002 ("the Act") established the Alternative Trade Adjustment Act (ATAA) as an alternative assistance program for workers who are at least 50 years of age and certified to apply for Trade Adjustment Assistance (TAA). This amendment was included in Title I of the Act. The program provides assistance to these adversely affected workers who may not be interested in retraining. It allows them to take full advantage of comprehensive reemployment services and assistance available through TAA, the Workforce Investment Act, and the One-Stop system to become reemployed quickly. They also receive a certain percentage of the wage difference between the wages of their previous, adversely-affected employment and their new full-time employment. This program is effective for petitions filed on or after August 6, 2003. The Act requires that petitions for ATAA and TAA certification be submitted together for the same group of workers. ATAA is designed to provide certain TAA-eligible workers who become reemployed a wage subsidy to help bridge the salary gap between their old and new employment.

To receive these wage subsidies, workers must be TAA-certified before they can be ATAA-certified. Workers who begin receiving payments under the ATAA program also become potentially eligible for the Health Coverage Tax Credit (HCTC). If they become ATAA-eligible, the only TAA benefit or service they can actually take advantage of is being able to receive relocation allowances.

### ATAA at a Glance

#### ATAA Individual Requirements

1. At least 50 years of age (as of the time of reemployment)
2. Does not earn more than \$50,000 per year (excluding overtime pay)
3. Does not return to employment from which worker was separated
4. Certified as eligible to apply for TAA benefits
5. Obtained full-time reemployment within 26 weeks of the date of separation at wages less than those earned previously
6. Application must be filed within two years of the first day of qualifying reemployment

#### ATAA Wage Subsidies

- 50% of the difference between reemployment wages and wages earned at separation
  - a. Payments may not last more than 2 years
  - b. Total of payments may not exceed \$10,000 over 2 year period
- Relocation allowances provide reimbursement for approved expenses if the person is successful in obtaining employment outside their normal commuting area



## What are the differences in the HCTC benefits offered to ATAA versus TAA recipients?

There is no difference in the HCTC benefits received by ATAA or TAA recipients. However, ATAA recipients must register by phone and they have slightly more restrictive eligibility requirements where employer-sponsored health plans are concerned.

Like all potential HCTC candidates, ATAA recipients are not eligible if one of the following applies to them:

1. They are entitled to Medicare Part A or enrolled in Medicare Part B
2. They are enrolled in the Federal Employees Health Benefits Program (FEHBP), Medicaid, or State Children's Health Insurance Program (SCHIP)
3. They are entitled to health coverage through the U.S. military health system (TRICARE/CHAMPUS)
4. They are enrolled in a health plan maintained by either their or their spouses' employers (current or former) that pay at least 50% of the cost of coverage

An additional eligibility requirement applies to ATAA recipients in the following two scenarios:

1. The ATAA recipients are **enrolled** in an HCTC-qualified health plan where their or their spouses' employers (current or former) pay for any amount of the premium
2. If the recipients or their spouses are **eligible** for coverage where the employer would pay more than 50% of the cost of coverage (or the recipients could pay for the premium on a pre-tax basis)

If either of these two situations occur, then regardless of whether the ATAA recipients are actually enrolled, their health plan must be one of the following:

1. COBRA coverage
2. State-based COBRA (also called mini-Cobra)
3. Coverage through an arrangement between a state and
  - a. A group health plan
  - b. An issuer of health insurance coverage
  - c. A health plan administrator
  - d. An employer

If this additional requirement is not met, the ATAA recipients will not be eligible for the HCTC program. The ATAA recipient must still be enrolled in an HCTC-qualified health plan in order to receive the tax credit.

## Frequently Asked Questions

**Question:** If an individual changes eligibility from TAA to ATAA, does that affect the HCTC registration?

**Answer:** Yes. An individual must re-register for HCTC if his/her eligibility type changes.

**Question:** Can an ATAA individual register for HCTC using the Registration Form that is included in the Program Kit?

**Answer:** No. ATAA HCTC-eligible persons must register by telephone. They can call the Customer Contact Center at 1-866-628-HCTC. If individuals note ATAA on their Registration Form and send it in anyway, an HCTC representative will call the individuals to re-register them as ATAA.

**Question:** When do ATAA participants become eligible for HCTC?

**Answer:** ATAA participants are eligible for HCTC once they begin participating in ATAA and receiving a benefit under the program. Thus, if workers considering ATAA have not become reemployed and are in need of the HCTC, the Trade Act coordinator should assess whether a training waiver might be appropriate.

## More Information

For more information on ATAA, use the following link to the DOL web site for the ATAA Guidance Letter:

[www.doleta.gov/tradeact/directives/tegl\\_ataa.cfm](http://www.doleta.gov/tradeact/directives/tegl_ataa.cfm)

You can also reference Training and Employment Guidance Letter NO. 2-03.

